

**IN THE MATTER OF THE ARBITRATION PROCEEDINGS**

**BETWEEN**

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GRANT COUNTY DEPUTY SHERIFFS'  
ASSOCIATION, WISCONSIN PROFESSIONAL  
POLICE ASSOCIATION/LAW  
ENFORCEMENT RELATIONS DIVISION,

Association,

and

ARBITRATOR'S AWARD  
Case 80. No. 59622 MIA-2381  
Dec. No. 30258-A

GRANT COUNTY (SHERIFF'S DEPARTMENT)

Employer.

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Arbitrator: Jay E. Grenig

Appearances:

For the Employer: Jon E. Anderson, Esq.  
Kim M. Gasser  
La Follette Godfrey & Kahn

For the Association: Thomas W. Bahr  
WPPA/LEER Division

**I. BACKGROUND**

This is a matter of final and binding interest arbitration for the purpose of resolving a bargaining impasse between Grant County (Sheriff's Department) ("County" or "Employer") and Grant County Deputy Sheriffs' Association, Wisconsin Professional Police Association/Law Enforcement Relations Division, ("Union" or "Association"). The County is a municipal employer. The Association is the exclusive collective bar-

gaining representative for the law enforcement personnel employed by the Employer. There are approximately 34 employees in the bargaining unit.

On January 29, 2001, the Association filed a petition with the Wisconsin Employment Relations Commission alleging that an impasse existed between it and the County in their collective bargaining and requesting the WERC to initiate arbitration pursuant to Wis.Stat. § 111.77(3).

Final offers were exchanged by the parties and submitted to an investigator for the Wisconsin Employment Relations Commission on January 8, 2002. On January 14, 2002, the WERC certified that the investigation was closed and submitted a list of arbitrators to the parties. The parties selected the undersigned to resolve their dispute. On January 25, 2002, the WERC issued an order appointing the undersigned as the arbitrator.

A hearing was conducted in Lancaster, Wisconsin, on April 24, 2002. Upon receipt of the parties' reply briefs, the hearing was declared closed on July 24, 2002.

## **II. FINAL OFFERS**

### **A. Association**

As its final offer, the Association proposes:

1. Term—Three years effective January 1, 2001, through December 31, 2003.
2. Wages—Increase all rates effective January 1 of each year by 2%, and increase all rates effective July 1 of each year by 2%. Total lift for each year is 4%; total cost is 3%. Effective January 1, 2002, the Communications Clerk and Communications Support Clerk classifications be increased by 10% after the classifications receive the 2% wage increase.
3. Insurance—Amend Article 17, Section 17.01, effective no later than January 1, 2003, to require Grant County to enroll in the State of Wisconsin Municipal Employees Health Plan, and to pay 105 % toward the cost of the single and family premiums for the lowest cost HMO available to the Association members.
4. Wages—Amend Article 20 to provide for 10 cents per hour increase in shift differentials for second and third shifts.
5. Wages—Amend Article 20 to provide for 3 cents per hour increase for all work performed by Deputy Sheriffs assigned to the Investigation Unit or when acting as OIC.

6. Uniform Allowance—Amend Article 19, Section 19.01, to provide for an annual clothing allowance of \$120.00 for the Communications Clerk and Communications Support Clerk classifications.

**B. EMPLOYER**

As its final offer, the Employer proposes:

1. Amend Section 17.02 to read: “The County shall pay the full cost of said health insurance cited in Section 17.01 above for the single plan and eight-five percent (85%) toward the cost of the family plan premium of employee’s choice of health insurance coverage carriers.”
2. Effective January 1, 2001, increase all wages 3% across-the-board.
3. Effective January 1, 2002, increase all wages 2% across-the-board.
4. Effective July 1, 2002, increase all wages 2% across-the-board.
5. Effective January 1, 2002, a clothing allowance of \$100 per year shall be allowed for the Communications Clerk and the Communications Support Clerk classifications. Items must be approved by the Sheriff or his/her designee to qualify for clothing the [sic] allowance.

**III. STATUTORY CRITERIA**

**111.77. Settlement of disputes in collective bargaining units composed of law enforcement personnel and fire fighters.** In fire departments and city and county law enforcement agencies municipal employers and employees have the duty to bargain collectively in good faith including the duty to refrain from strikes or lockouts and to comply with the procedures set forth below:

...

(6) In reaching a decision the arbitrator shall give weight to the following factors:

- (a) The lawful authority of the employer.
- (b) Stipulations of the parties.

(c) The interests and welfare of the public and the financial ability of the unit of government to meet these costs.

(d) Comparison of the wages, hours and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours and conditions of employment of other employees performing similar services and with other employees generally:

1. In public employment in comparable communities.
2. In private employment in comparable communities.

(e) The average consumer prices for goods and services, commonly known as the cost of living.

(f) The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

(g) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

(h) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact-finding, arbitration or otherwise between the parties, in the public service or in private employment.

...

#### **IV. POSITIONS OF THE PARTIES**

##### **A. THE ASSOCIATION**

The Association contends that the Wisconsin Public Employers' Group Health Insurance allows for substantial savings for the parties and also meets the County's contractual obligations of Grant County to its other bargaining units. The Association recognizes that the County provides health insurance for members of the County Board and states that, while the Supervisors are not eligible to participate in the Wisconsin Health Plan, both of the current plans allow for their continued participation should the County so choose.

According to the Association, its final offer best serves the citizens of the County by recognizing the need to provide employee benefits in the most cost effective manner possible. By changing to the Wisconsin Health Plan, the Association says that the Employer could save as much as \$28,000 in 2003 for the Deputy bargaining unit alone. It is the Association's position that the morale of the bargaining unit will not be affected in a positive manner by allowing the County to ignore the extraordinary economic benefit to both parties by simply making changes in who administers the health insurance plan for the County. Contending that reason dictates that the interests and welfare of the public will be similarly affected, the Association asserts that its final offer must be deemed more reasonable.

With respect to comparables, the Association urges the Arbitrator to use Crawford, Iowa, Lafayette, Richland, Green, Sauk, and Columbia County. The Association points out that Crawford, Iowa, Lafayette, and Richland have significantly smaller populations than Grant County. In addition to population, the Association notes that Grant County is also similar to Green and Sauk County in total equalized value.

Examining its external comparables, the Association says that a patrol deputy in Grant County is paid substantially less than the average hourly rate paid to the deputies in the comparable counties. According to the Association, its final offer moves the hourly rate closer to the average while the County's offer places the deputies back where they were in 1990--\$.49 below the average of the comparables.

With respect to the proposal regarding additional wages for the two deputies assigned to function as detectives, the Association states that these deputies are paid the same hourly rate as patrol deputies. It asserts that all but one of the comparables pays additional monies for the detective classification.

Turning to the criterion of internal comparables, the Association recognizes that the County's offer is identical to the settlement patterns with other bargaining units. However, the Association contends that the County presumably did not have to address any type of catch-up arguments in the other bargaining units.

Stressing that the County's comparables' health insurance plans for families cost \$698.05 per month as compared to the County's primary health insurance plan at \$1,039.12 per month, the Association says that this demonstrates and satisfies the requirement of a need to change the status quo. In addition, the Association argues that of the comparables, only three currently require employee contributions toward health insurance premiums. Noting that the County contributes 85% of the premium, the Association states that three counties contributed 90% of the health insurance premium, one contributes 96.2%, one contributes 100%, and one contributes 105% of the lowest cost plan offered. Only four of the seven comparables required any employee contributions toward health insurance in 2002.

## **B. THE COUNTY**

The County argues that the Association should not be allowed to mandate that the County switch its health insurance coverage from the current two-tiered HMO program available to all County employees to the Wisconsin Health Program. The County also argues that the Association should not be allowed to change the status quo through interest arbitration on such a pivotal issue that ultimately impacts all the County's union and non-union employees. The County asserts that the Association has failed to establish the need for a change in the status quo.

The County declares that changing health insurance carriers is a decision that must be embraced by all the affected players—meaning all bargaining units. The County expresses concern that the Wisconsin Health Plan bars coverage for County Board members. It notes that for many years the County has paid 100% of the cost of a single health plan for Board members who choose coverage.

According to the County, the Association's documentation of alleged cost inequities with respect to the comparables is misleading and inaccurate. It claims that County employees do not necessarily absorb premium costs that are out of line with the external comparables.

The County stresses its final offer is identical to the controlling internal settlement pattern. On the other hand, it argues that the Association's final offer departs from this pattern—generating a 12% lift over its three-year term as compared with the 7% lift over two years in the internal comparables. According to the County, in order to justify a deviation from the internal settlement pattern it must be conclusively shown that adherence to the internal settlement pattern adversely affects the bargaining unit's ranking vis-à-vis the external comparables. It is the County's position that this is not the case here. In addition, the County argues that the Association's final wage offer disregards the potential impact of State budget deliberations.

Pointing out that none of the comparables have a similar Communications Clerk classification, the County says there is no comparable guidance as to the merits of a \$100 annual stipend versus a \$120 annual stipend. The County claims the Association did not offer any documentation to support the additional allowance.

With respect to shift differentials, the County argues that the new shift differential would equal \$0.35 per hour on top of the wage increase, changes in health insurance carrier, and clothing allowances. The County asserts that the Association has not provided any documentation justifying this change in the status quo.

The County argues that the Association should not be allowed to deviate from the County's internal bargaining cycle of two-year contracts. According to the County, it

needs to have concurrent contracts so as to provide for any necessary County-wide changes. It states that County-wide benefits such as health insurance should not be left to isolated and individualized bargains.

It is the County's position that the wording of the Association's final offer is inconsistent with Sections 17.01 and 17.02 of the parties' collective bargaining agreement. It states that the sole amendment of Section 17.01 would not harmonize the County's contribution percentages in Section 17.02.

The County argues that the current economic climate calls for moderation in County spending. It states that expectations of above-average wage rate increases cannot continue given the County's uncertain economic future.

## **V. FINDINGS OF FACT**

### **A. Lawful Authority of the Employer**

There is no contention that the County lacks the lawful authority to implement either offer.

### **B. Stipulations of the Parties**

While the parties were in agreement on many of the facts, there were no stipulations with respect to the issues in dispute. They have, however, reached agreement on a number of issues not in dispute here.

The parties have agreed that, effective January 1, 2002, the prescription drug co-pays under the Medical Associations HMO plan shall be changed to \$5.00 for generic and \$10.00 for name-brand drugs. Effective January 1, 2002, the prescription drug co-pays under the Unit HMO plan shall be changed to \$6.00 for generic and \$12.00 for name-brand drugs.

The parties have further agreed to update the classification listing in Section 20.01 to include Communication Support Clerk at the same pay scale as Communications Clerk and delete Process Server.

They have also agreed to incorporate a job posting side letter dated March 22, 2000, into the agreement. They have also agreed to increase the Communications Clerk and Communications Support Clerk classifications 10% after the 2% across-the-board increase.

**C. The Interests and Welfare of the Public and the Financial Ability of the Unit of Government to Meet these Costs**

This criterion requires an arbitrator to consider both the employer's ability to pay either of the offers and the interests and welfare of the public. The interests and welfare of the public include both the financial burden on the taxpayers and the provision of appropriate municipal services. There is no contention that the County lacks the financial ability to pay either offer.

The public has an interest in keeping the County in a competitive position to recruit new employees, to attract competent experienced employees, and to retain valuable employees now serving the County. Presumably the public is interested in having employees who by objective standards and by their own evaluation are treated fairly. What constitutes fair treatment is reflected in the other statutory criteria.

**D. Comparison of Wages, Hours and Conditions of Employment**

***1. Introduction***

The purpose in comparing wages, hours, and other conditions of employment in comparable employers is to obtain guidance in determining the pattern of settlements among the comparables as well as the wage rates paid by these comparable employers for similar work by persons with similar education and experience.

***2. External Comparables***

**a. Introduction**

There has been one recent interest arbitration between the parties. In *Grant County (Sheriff's Dept.)*, Dec. No. 29015-A (Weisberger 1997), the arbitrator ruled that the contiguous counties of Crawford, Iowa, Lafayette, and Richland, as well as Green and Sauk counties are proper comparables to the County. Arbitrator Weisberger rejected the use of Columbia County as a comparable. Finding that the four contiguous counties were appropriate comparables, Arbitrator Weisberger then considered whether three noncontiguous counties (Columbia, Green, and Sauk) should be considered as comparables. She wrote:

As for the three additional counties (Columbia, Green and Sauk), their distance from Grant County is apparent. It is particularly difficult to accept the characterization of Columbia County as part of "southwestern" Wisconsin. The undersigned believes, therefore, that it is appropriate to consider Green and Sauk counties—but not Columbia County—as secondary comparables only in this proceeding.

Once an interest arbitrator has determined comparable employers, disruption of the established comparables should be discouraged. An established comparability group should be maintained and the burden of persuasion to change an established comparability group rests on the party that wants to make the change. *See Janesville School Dist.*, Dec. No. 22823-A (Grenig 1986). Continuity and stability of the comparables is important to provide the parties with an appropriate grouping upon which to base its comparisons from year to year. The record does not establish a compelling reason to change the comparability group in this proceeding by adding Columbia County as a comparable employer.

**b. Discussion**

In 1998 two of the six comparables had a maximum hourly wage rate (including longevity) higher than the County. In 1999 and 2000 the County slipped to fourth among the comparables at this benchmark. Both final offers would keep the County in fourth place in 2001. However, in 2002 the County's offer would drop the County to fifth among the comparables. In 1998 the County's wage rate (including longevity) at this benchmark was \$0.32 above the average of the six comparables; in 1999, it was \$0.06 above the average. In 2000 the County's wage rate was \$0.11 below the average. The County's final offer for 2000 would place the County \$0.15 below the average while the Association's final offer would place it \$0.01 above the average. In 2002 the County's final offer would place the County \$0.16 below the average and the Association's would place the County at the average.

Since 1992 the hourly base rate (patrol/deputy) has been above that of the average base rate in the comparable counties with the exception of 1994. The Employer's proposal would provide a base rate \$0.11 below the average base rate (patrol/deputy) and the Association's proposal would provide a base rate of \$0.05 above the average base rate. Both proposals would provide an hourly base rate above the average base rate (patrol/deputy) in the comparables in 2002. The County's proposal would result in a base rate \$0.40 above the average and the Association's proposal would result in a base rate \$0.57 above the average.

The average wage increase in the comparable counties for 2001 is 3.18% (a lift of 3.35%). The County's final offer would be 0.18% below the average increase while the Association's offer would place the County 0.72% above the average increase. The average wage increase in the comparable counties for 2002 is 3.33% (lift of 3.67%). The parties' final offers are 0.67% above the average increase (0.33% above the average lift).

The external comparables slightly favor the Association's offer because the County's offer would result in some slippage in the relative position of the County as compared with its relative position in previous years.

### **3. Internal Comparables**

#### **a. Introduction**

Internal consistency is less significant when public safety employees are involved, unless they are being compared with other public safety employees such as firefighters. *City of Glendale*, Dec. No. 30084-A (Dichter 2001). However, interest arbitrators usually find that internal comparables rather than external comparables determine the outcome of fringe benefit disputes. *Walworth County Handicapped Children's Board*, Dec. No. 27422-A (Rice 1993); *Monroe County*, Dec. No. 29593-A (Dichter 1999).

Nonetheless, internal comparables have been given great weight with respect to basic fringe benefits. *Winnebago Village*, Dec. No. 26494-A (Vernon 1991). Significant equity considerations arise when one unit seeks to be treated more favorably than others. Ordinarily, employers try to have uniformity of fringe benefits for all their bargaining units because it avoids attempts by bargaining units to whipsaw their employers into providing benefits that were given to other bargaining units for a very special reason. *Village of Grafton*, Dec. No. 51947 (Rice 1995).

#### **b. Discussion**

For 2001 all four of the bargaining units agreed to a 3% wage adjustment and a 2% increase January 1, 2002, and 2% increase on July 1, 2002. The County's final wage offer is identical to the settlements in these four bargaining units. The Association's final wage offer seeks a larger increase—a 2% split-year adjustment in 2001 and 2002 along with an additional third year 2% split year adjustment.

Insofar as internal comparables are concerned, the Employer's offer is consistent with the internal settlements with the other four County bargaining units.

#### **E. Changes in the Cost of Living**

The governing statute requires an arbitrator to consider "the average consumer prices for goods and services, commonly known as the cost of living." While a number of arbitration awards suggest that changes in the cost of living are best measured by comparisons of settlement patterns, such settlements, do not reflect "the average consumer prices for goods and services" and Section 111.77 expressly provides that the "average consumer prices for goods and services, commonly known as the cost of living" must be considered.

Despite its shortcomings, the Consumer Price Index ("CPI") is the customary standard for measuring changes in the "cost of living." Settlement patterns may be based

on a number of factors in addition to changes in the “average consumer prices for good and services.” However, a comparison of settlement patterns is important and has been considered above.

The annual increase in the CPI for the period ending January 1, 2000, was 2.7%. The annual increase in the CPI for the period ending January 1, 2001, was 3.7%. Both offers provide for wage increases greater than the increases in the CPI.

#### **F. Overall Compensation Presently Received by the Employees**

In addition to their salaries, employees represented by the Association receive a number of other benefits. While there are some differences in benefits received by employees in comparable municipalities, it appears that persons employed by the County generally receive benefits equivalent to those received by employees in the comparable municipalities.

#### **G. Changes During the Pendency of the Arbitration Proceedings**

No material changes during the pendency of the arbitration proceedings have been brought to the attention of the Arbitrator.

#### **H. Other Factors**

This criterion recognizes that collective bargaining is not isolated from those factors comprising the economic environment in which bargaining takes place. See, e.g., *Madison Schools*, Dec. No. 19133 (Fleischli 1982). There is no evidence that the County has had to or will have to reduce or eliminate any services, that it will have to engage in long term borrowing, or that it will have to raise taxes if either offer is accepted.

Good economic conditions mean that the financial situation is such that a more costly offer may be accepted and that it will not be automatically excluded because the economy cannot afford it. *Northcentral Technical College (Clerical Support Staff)*, Dec. No. 29303-B (Engmann 1998). See also *Iowa Village (Courthouse and Social Services)*, Dec. No. 29393-A (Torosian 1999) (conclusion that employer’s economic condition is strong does not automatically mean that higher of two offers must be selected or, conversely, a weak economy automatically dictates a selection of the lower final offer).

### **VI. ANALYSIS**

#### **A. Introduction**

While it is frequently stated that interest arbitration attempts to determine what the parties would have settled on had they reached a voluntary settlement (See, e.g., *D.C. Everest Area School Dist. (Paraprofessionals)*, Dec. No. 21941-B (Grenig 1985) and

cases cited therein), it is manifest that the parties' are at an impasse because neither party found the other's final offer acceptable. The arbitrator must determine which of the parties' final offers is more reasonable, regardless of whether the parties would have agreed on that offer, by applying the statutory criteria. In this case, there is no question regarding the ability of the Employer to pay either offer. The most significant criterion here is a comparison of wages, hours and conditions of employment.

The County has a population of over 50,000 and has the largest population of the contiguous counties. There are five bargaining units in the County. The Deputy Sheriff unit is the smallest of the bargaining units. This proceeding is the second interest arbitration between the County and the Deputies. The first involved the 1996-97 contract at which time the Deputies were represented by the Teamsters.

The Association is proposing a three-year contract and the County is proposing a two-year contract. The Association is proposing a clothing allowance of \$120 per year for the Communications Clerk and the Communications Support Clerk effective January 1, 2002, while the County proposes a clothing allowance of \$100 per year.

The Association proposes that, effective January 1, 2003, the County enroll in the State of Wisconsin Municipal Employees Health Plan and the County proposes maintaining the status quo.

Both parties propose to increase the wage rate in 2002 by 2% effective January 1, 2002, and by 2% effective July 1, 2002. However, the Association proposes 2% increases on January 1, 2001, July 1, 2001, January 1, 2003, and July 1, 2003.

The Association proposes that Deputies assigned to the Investigating unit or acting as Officer in Charge receive an addition \$0.35 per hour. The County proposes maintaining the status quo. The Association also proposes a \$0.10 per hour increase in shift differential for the second and third shift and the County proposes maintaining the status quo.

## **B. Health Insurance**

Under the present health insurance program, employees may select coverage through Unity or Medical Associates. The County pays 100% of the single monthly premium and 85% of the family monthly premium for all of its employees—represented and unrepresented. This contribution division is also applied to the other bargaining units in the County. Implementation of the Association's final offer would require the County to pay 105% toward the cost of the single and family premiums for the lowest cost HMO available to the Association members effectively reducing the bargaining unit members' health insurance premiums cost.

The Wisconsin Health Plan's minimum participation requirement requires that 65% of all eligible employees participate in the State program. Because the Association represents about 7.5% (34 out of 442 employees) of the eligible employees, the issue would then need to be successfully bargained with the other four County bargaining units. There are no guarantees that the County would be successful in meeting the 65% participation should AFSCME and the Teamsters refuse to switch. If the County were unable to obtain the requisite 65% participation, coverage for the Association's bargaining unit members would be dropped and the County would be barred from enrolling in the Wisconsin Health Plan for another three years. Although it may be possible for the County to obtain a temporary waiver of the 65% participation requirement, ultimately failure to secure 65% participation could result in the State's terminating the County's participation in the program for a period of three years.

In *Langlade County (Sheriff's Department)*, Dec. No. 29916-A (Torosian 2001), Arbitrator Torosian rejected the attempt of the County's second smallest bargaining unit (the Sheriff's Department) to set the pattern in the second year of a two-year agreement:

The situation described above, i.e., the size of the unit setting the pattern of internal settlements, constitutes one of the "factors . . . normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment through voluntary collective bargaining, mediation, fact finding, arbitration . . ." . . . Here, the Association, a unit of 14 employees, by its two-year proposal would be breaking the pattern in 2000 and setting a pattern for 2001, for the remaining 124 employees. Normally and traditionally, in such cases it is one of the larger units that sets the pattern. While this reality of bargaining is not absolute, there is good reason for it and any deviation must be for good reason. Otherwise, you have a situation where the "tail is wagging the dog."

While the Association has presented some persuasive economic reasons for switching to the Wisconsin Health Plan, the participation requirements of the Wisconsin Health Plan would require other County bargaining units also to agree to a switch in health insurance providers. This proposal would, in effect, require other, larger bargaining units who are not represented in this proceeding to switch health insurance providers. If these bargaining units did not agree to the change, members of the bargaining unit represented by the Association could be placed in a disadvantaged situation.

### **C. Wages**

The internal settlement pattern establishes a pattern of 3% across-the-board wage increases effective January 1, 2001, and a 2% increase on January 1, 2002, followed by a 2% adjustment on July 1.

**D. Clothing Allowance**

None of the comparables have similar Communications Clerk classifications. Accordingly, there is no comparable guidance as to the merits of a \$100 allowance or a \$120 allowance.

**E. Shift Differential**

The Association's final offer increases the second and third shift payouts by \$0.10 an hour, creating a new \$0.20 an hour shift differential for second and third shifts. In their previous contract, the parties increased the shift differential by \$0.05 an hour.

The Association's final offer creates a new shift differential payment for those working as an officer-in-charge. Very few of the comparables (see ER 39) provide for such a differential payment.

**F. Contract Duration**

The collective bargaining agreements of all the other bargaining units in the County provide for two year contracts beginning January 1, 2001, and expiring December 31, 2003.

**G. Conclusion**

One of the most important aids in determining which offer is more reasonable is an analysis of the compensation paid similar employees by other, comparable employers. Arbitrators have also given great weight to settlements between an employer and its other employees. See, e.g., *Rock Village (Deputy Sheriffs' Ass'n)*, Dec. No. 20600-A (Grenig 1984). In this case, the external comparables slightly favor the Association's offer while the internal comparables favor the County's.

However, in this case the controlling issue is not wages but the Association's proposal to change the health insurance provider to the Wisconsin Health Plan. A change to the Wisconsin Health Plan would have an impact on all County employees—not just those represented by the Association. While the Association's wage offer is slightly more reasonable than the Employer's, concerns regarding wage rates can be remedied, to some extent, in future contracts. However, changes in the health insurance carrier, particularly where such changes would have an impact on other, larger bargaining units, have the potential for creating mischief and problems that could not be remedied in future collective bargaining agreements.

The Association's proposal would effect a substantial change in the status quo. Arbitrators generally hold that a party proposing a change in the status quo is required to

offer justification for the change and to offer a quid pro quo to obtain the change. See, e.g., *Middleton-Cross Plains School Dist.*, Dec. No. 282489-A (Malamud 1996). Arbitrator Malamud explained:

Where arbitrators are presented with proposals for a significant change to the status quo, they apply the following mode of analysis to determine if the proposed change should be adopted: (1) Has the party proposing the change demonstrated a need for the change? (2) If there has been a demonstration of need, has the party proposing the change provided a quid pro quo for the proposed change? (3) Arbitrators require clear and convincing evidence to establish that 1 and 2 have been met.

Although the Association has provided evidence showing the many benefits of making the proposed change, the Association has not demonstrated a necessity for making the change. The question of switching to the Wisconsin Health Plan has been considered by other arbitrators. In *Village of Bayside (Police Department)*, Dec. No. 29456 (Callow 1999), the arbitrator addressed the Village's final offer proposing that the health insurance coverage be changed to the Wisconsin Health Plan. The Village asserted that switching to the Wisconsin Health Plan offered a viable, low risk solution to its health care crisis. Rejecting the Village's arguments, Arbitrator Callow stated:

The extensive arguments of the parties do not support a conclusion that a change in health care is necessary to serve the best interest and needs of the Village. Health care is a very personal matter to employees and their interests have been respected by the Village for many years. The Village in the exercise of financial responsibility seeks to make a substantial change in the health care portion of the contract. When harmony has existed in contract relationships, the need for change must be compelling. The Union has looked for a quid pro quo—a significant compensation to give up the contract right that has existed for quite some time. The modest quid pro quo offered is not adequate to warrant the surrendering of the present health care program. Change should not be imposed by an impartial arbitrator unless there are compelling reasons. The Village's argument that the State Plan is better for the employees is parental and unimpressive.

It is not conclusive that the State Plan serves the best interests of the Union membership. The concern about rising health care costs by the municipality is entirely reasonable but a compelling need for change at this time has not been demonstrated.

The interest and welfare of the public is best served by a conclusion that the final offer of the Union is more compelling to produce harmony between the parties. The need for change has not been demonstrated under the standards set forth in the several sections of the statutes identified in this decision and award.

In addition, the Association should not be allowed to change the status quo through interest arbitration on such a pivotal issue that ultimately impacts all the County's union and non-union employees. Changing health insurance carriers is a decision that must be embraced by all the bargaining units—not imposed in an interest arbitration proceeding involving only the smallest bargaining unit. Accordingly, the County's proposal to maintain the status quo with respect to health insurance carriers is more reasonable than the Association's.

## **VII. AWARD**

Having considered all the relevant evidence and the arguments of the parties, it is concluded that the County's final offer is more reasonable than the Association's final offer. The parties are directed to incorporate into their collective bargaining agreements the County's final offer .

Executed at Delafield, Wisconsin, this twenty-sixth day of August, 2002.

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Jay E. Grenig